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EXTRAORDINARY

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MINISTRY OF FINANCE
(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 4th October 1956

S.R.O. 2274.—In exercise of the powers conferred by section 41 of the State Bank of Hyderabad Ordinance, 1956 (No. 5 of 1956), the Central Government in consultation with the Reserve Bank of India, hereby makes the following rules, namely:—

1. **Short title and commencement.**—(1) These rules may be called the Hyderabad State Bank (Compensation) Rules, 1956.

(2) They shall come into force on the twenty-second day of October, 1956.

2. **Definitions.**—In these rules, unless the context otherwise requires—

- (a) “compensation” means the amount payable to a shareholder under sub-section (1) of section 6 of the Ordinance;
- (b) “form” means a form specified in the Schedule to these rules;
- (c) “Ordinance” means the State Bank of Hyderabad Ordinance 1956 (No. 5 of 1956);
- (d) “shareholder” means any person, other than the State Government of Hyderabad, who immediately before the twenty-second day of October 1956 is registered as the holder of a share in the Hyderabad State Bank and includes an officer of Government, local authority, or any other institution registered as the holder of a share in his name or in the name of his office;

3. **Manner of payment of compensation.**—(1) The compensation payable to a shareholder, other than the State Government of Hyderabad, shall be paid by a cheque drawn on the Bombay Office of the Reserve Bank.

(2) The compensation payable to the State Government of Hyderabad shall be paid by credit to the account of that Government with the Reserve Bank.

4. **Form and manner in which applications for compensation shall be made.**—

(1) (i) A shareholder other than a shareholder referred to in sub-clause (ii) shall make an application for compensation to the Reserve Bank in Form ‘A’.

(ii) A shareholder claiming compensation in respect of a share registered in the name of such shareholder jointly with any deceased shareholder, shall make an application for compensation to the Reserve Bank in Form ‘B’.

(iii) A person claiming compensation due to any deceased shareholder, not being a joint shareholder, shall make an application for compensation to the Reserve Bank in Form ‘C’.

(2) Every application for compensation shall, unless otherwise permitted by the Reserve Bank, be accompanied by the share certificate issued by the Hyderabad State Bank in respect of the share for which the compensation is claimed.

(3) An application for compensation shall be lodged at the Head Office of the Hyderabad Bank in the city of Hyderabad.

(4) An application for compensation may be lodged personally or sent by registered post acknowledgement due.

5. Shares registered in the names of deceased holders.—(1) In the case of a share registered in the sole name of a deceased shareholder, the Executor or Administrator of the deceased shareholder or the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925 (39 of 1925), in respect of the share registered in the name of the deceased shareholder, shall be the only person who may be recognised by the Reserve Bank as having any title to claim compensation for such share.

(2) Where a share is registered in the name of two or more persons and any of them is dead, the survivor or survivors, or if all the joint shareholders are dead, the Executor or Administrator of the last survivor or the holder of a succession certificate obtained in respect of the estate of the last survivor including such a share, shall be the only person who may be recognised by the Reserve Bank as having any title to claim compensation for such share.

(3) The Reserve Bank shall not be bound to recognise the claim of any Executor or Administrator or other person unless he shall have obtained a probate or letters of administration or other legal representation, as the case may be, from a competent Court in India having effect at Hyderabad.

(4) Notwithstanding anything contained in sub-rules (1) to (3), the Reserve Bank may, in its absolute discretion, dispense with the production of a succession certificate, probate or letters of administration or other legal representation upon such terms as to indemnity or otherwise as it may think fit.

6. Claims under instruments of transfer.—The Reserve Bank shall not pay compensation to any person claiming to be entitled to compensation in respect of any share as a transferee from a shareholder unless it is satisfied from the evidence furnished to it by the applicant that he is unable to have the application made, for his benefit, by the shareholder, and unless the applicant produces—

(a) a valid instrument of transfer in respect of the share executed in his favour, and

(b) such further evidence as the Reserve Bank may deem sufficient for establishing the applicant's title to compensation.

7. Claims not provided for by Rules 5 and 6.—Save as provided in rules 5 and 6, the payment of compensation to any person who is not registered as a shareholder shall be at the absolute discretion of the Reserve Bank who may, before making payment, require such proof of the applicant's claim to compensation, including an order from a competent Court as it may deem sufficient to protect its interests.

8. Power to require indemnity.—Before paying compensation to any person whose claim is recognised under rule 6 or 7, the Reserve Bank may require the execution of a bond of indemnity with or without sureties as it may deem fit.

9. Rules also to apply to claimants other than registered shareholders.—Where any person other than the registered shareholder is recognised by the Reserve Bank as being entitled to payment of compensation, these rules, other than sub-rule (1) of rule 4 and rule 6, shall apply to that person, as if he were himself the shareholder entitled to receive compensation under the Ordinance.

10. Loss, etc. of share certificates.—A shareholder whose share certificate issued by the Hyderabad State Bank has been lost, destroyed, stolen or mutilated shall, before claiming the compensation, comply with, in full, the procedure that was, immediately before the appointed day, being followed by the Hyderabad State Bank for the issue of a duplicate in respect of or for the renewal of such share certificate:

Provided that nothing herein contained shall be deemed to affect the discretion of the Reserve Bank to dispense with, in full or in part, the said procedure upon such terms as to indemnity or otherwise as it may think fit.

11. Information regarding payment of compensation.—(1) No information regarding the payment of compensation on any share or any claim in respect thereof shall be furnished to any person other than the applicant for compensation in respect of that share.

(2) Notwithstanding anything in sub-rule (1), the Reserve Bank may, at its absolute discretion, furnish any information to any person subject to such search fees, not exceeding Rs. 10, as it may charge depending on the nature of the information required and the time within which, or when, the information is required.

SCHEDULE

FORM 'A'

[See Rule 4(1) (i)]

Application for compensation by registered shareholder(s)

.....195 .
(Date)

The Manager,

Reserve Bank of India,

Bombay,

Dear Sir,

Claim for compensation in respect of Hyderabad State Bank shares

I/We* hereby state that shares of the Hyderabad State Bank, distinguishing Nos., stood registered in my/our name(s) on the share register of the Hyderabad State Bank.

2. I/We surrender herewith the relative share certificate(s) and request that the compensation admissible to me/us, in respect of the above shares, under section 6 of the State Bank of Hyderabad Ordinance, 1956, may be paid to me/us. I/we hereby declare that I am/we are the shareholder(s) entitled to receive compensation in respect of the above shares.

3 (a) Please deliver the cheque due to me/us by way of compensation to.....†

OR

(b) Please send the cheque to.....
.....† at my/our risk by registered/insured post.

Yours faithfully,

Witness.....

Address:

(Signature(s) of the shareholder(s).

Address:

Occupation:

N.B.—Claimant's attention is invited to the instructions given below:

1. Please strike off unnecessary words or portions not applicable.

2. All shareholders must sign the form in accordance with the specimen furnished by them to the Hyderabad State Bank.

Otherwise satisfactory proof of signature will have to be produced.

*Name(s) in full as stated in the share certificate(s).

†Insert the word 'me' or the name of a bank or one of the joint shareholders.

3. Where several persons hold shares jointly the form must be signed by all of them.

4. Pardanashin ladies' signatures in any Indian language, if specimens thereof have not been recorded with the Hyderabad State Bank, and all signatures by mark or thumb impression should be verified by a Justice of the Peace preferably one whose signature is known to the Hyderabad Bank, or by a Magistrate under the seal of his Court.

5. Where any person signs for and on behalf of an applicant, the relevant Power of Attorney or other document giving the person the necessary authority should accompany the application if it was not already registered with the Hyderabad State Bank.

6. All alterations and/or additions in the application must be initialled by the applicant(s).

7. The applicant must be lodged at the Head Office of the State Bank of Hyderabad in the city of Hyderabad.

8. The application must be accompanied by the share certificate(s) issued by the Hyderabad State Bank in respect of the share(s) for which compensation is claimed.

FORM 'B'

[See Rule 4(1) (ii)]

Application for compensation by the survivor/survivors of two or more joint shareholders.

.....1956

The Manager,
Reserve Bank of India,
Bombay.

Dear Sir,

Claim for compensation in respect of Hyderabad State Bank shares

I/We*hereby state that.....shares of the Hyderabad State Bank, distinguishing Nos.....stood registered in the names of myself/ourselves and the late*.....and the late*.....on the share register of the Hyderabad State Bank.....is/are deceased and I am/we are his/their survivor/survivors.

2. I/We surrender herewith the relative share certificate/certificates and also produce documents and proofs entitling me/us to claim the compensation admissible in respect of the above shares under section 6 of the State Bank of Hyderabad Ordinance, 1956. I/We state that I am/we are the person(s) entitled to claim the said compensation and request that it may be paid to me/us.

3. (a) Please deliver the cheque due to me/us by way of compensation to†.

OR

(b) Please send the cheque to† at my/our risk by registered/insured post.

Yours faithfully,

Witness:

Address: [Signature(s) of the shareholder(s).]

..... Address:

.....

Occupation:

N.B.—Claimant's attention is invited to the instructions given below:

1. Please strike off unnecessary words or portions not applicable.

*Name(s) in full as stated in the share certificate(s).

†Insert the word 'me' or the name of a bank or one of the joint shareholders.

2. All claimants must sign the applications in accordance with the specimen furnished by them to the Hyderabad State Bank. Otherwise satisfactory proof of signature will have to be produced.

3. Pardanashin ladies' signatures in any Indian language, if specimens thereof have not been recorded with the Hyderabad State Bank, and all signatures by mark or thumb impression should be verified by a Justice of the Peace preferably one whose signature is known to the Hyderabad Bank or by a Magistrate under the seal of his Court.

4. Where any person signs for and on behalf of an applicant, the relevant Power of Attorney or other document giving the person the necessary authority should accompany the application if it was not already registered with the Hyderabad State Bank.

5. All alterations and/or additions in the application must be initialled by the applicant(s).

6. The application must be lodged at the Head Office of the State Bank of Hyderabad in the city of Hyderabad.

7. The application must be accompanied by the share certificate(s) issued by the Hyderabad State Bank in respect of the shares for which compensation is claimed and all other documents and proofs entitling the applicants to claim the compensation.

FORM 'C'

[See Rule 4(1) (iii)]

Application for compensation by legal representatives of deceased shareholder(s).

.....195

(Date)

The Manager,
Reserve Bank of India,
Bombay.

Dear Sir,

Claim for compensation in respect of Hyderabad State Bank shares

I/We being the to the Estate of the late hereby state that shares of the Hyderabad State Bank, distinguishing Nos. stood registered in the name/names of** since deceased, on the share register of the Hyderabad State Bank.

2. I/We surrender herewith the relative share certificate/certificates and documents and proofs entitling me/us to claim the compensation admissible in respect of the above shares under section 6 of the State Bank of Hyderabad Ordinance, 1956. I/We state that I am/we are the of the deceased shareholder(s) and, therefore, request that the said compensation may be paid to me/us.

3. (a) Please deliver the cheque due to me/us by way of compensation to@.

OR

(b) Please send the cheque to@ at my/our risk by registered/insured post.

Yours faithfully,

Witness:

[Signature(s) of the claimant(s)]

Address:

Address:

Occupation:

*Name/Names in full.

†Here state the capacity in which the application is made, such as executor, administrator or succession certificate holder.

‡Name/Names in full as stated in the share certificate(s).

@Insert the word 'me' or the name of a bank or one of the joint claimants.

N.B.—Claimant's attention is invited to the instructions given below:

1. Please strike off unnecessary words or portions not applicable.
2. All claimants must sign the applications.
3. Paradanashin ladies' signatures in any Indian language, if specimens thereof have not been recorded with the Hyderabad State Bank, and all signatures by mark or thumb impression should be verified by a Justice of the Peace preferably one whose signature is known to the Hyderabad Bank, or by a Magistrate under the seal of his Court.
4. Where any person signs for and on behalf of an applicant, the relevant Power of Attorney or other document giving the person the necessary authority should accompany the application if it was not already registered with the Hyderabad State Bank.
5. All alterations and/or additions in the application must be initialled by the applicant(s).
6. The application must be lodged at the Head Office of the State Bank of Hyderabad in the city of Hyderabad.
7. The application must be accompanied by the share certificate(s) issued by the Hyderabad State Bank in respect of the shares for which compensation is claimed and all other documents and proofs entitling the applicants to claim the compensation.

[No. F.7(41)-FI/RO/55.]

G. SWAMINATHAN, Joint Secy.